## SHARING THE BURDEN

The winter of 1984-1985 was a critical period in the of federal water resources legislation. Private and representatives, committee public constituent groups, senators and staffs, the Corps, OMB, and others were mobilizing support, articulating positions, and seeking compromises. OMB Director David Stockman provided a momentary distraction when he publicly recommended in mid-December that the Bureau of Reclamation be folded into the Corps of Engineers, a reversal of earlier proposals decades. Within hours, the Secretaries of Defense extending back the proposal, as did presidential and Interior condemned Stockman did generate some initial presidential Edwin Meese III. interest, but, without executive branch or congressional support, his proposal went nowhere.' Within the water resources community, attention continued to focus on authorization legislation.

Pressed by Robert Dawson, who remained Acting Assistant Secretary of the Army, Civil Works, at the end of 1984, the Corps began to assume a more active role in preparing nonfederal interests to accept additional cost sharing. Perhaps Dawson's exhortations were not really necessary; the Corps was becoming increasingly anxious about its future. For the first time in the organization's history, operation and maintenance expenditures exceeded construction expenditures in fiscal year 1984. Lacking a major water resources act since 1970, the Corps was running out of

new work to do. The Corps' personnel , water resources mission, and
very existence were brought into question. The agency needed a
water resources bill, and cost sharing was the key.

As a step toward educating local and state organizations and exchanging views on cost sharing, the Corps and the Interstate Conference on Water Problems (ICWP) co-sponsored a series of workshops from October to December 1984 in Raleigh, Chicago, Dallas/Ft. Worth, and Seattle. In April 1985, a final roundtable convened in Washington, DC. The Diaest of Proceedings that came out of these conferences provided an overview of the probable future of water project financing. Sections addressed key issues such as financing alternatives and financial assistance programs, the development of project financing plans, and the changes in federal-state relations that new cost-sharing requirements would generate.\* Nonfederal interests could hardly miss the message that they must accept a greater financial burden for future water projects.

On 3 January 1985, as sooon as the 99th Congress had convened, Congressman Howard, in his role as chairman of the House Public Works and Transportation Committee, introduced the 375-page "Water Resources Conservation, Development and Infrastructure Improvement and Rehabilitation Act of 1985." Congressman Roe and three members of his subcommittee co-sponsored the legislation. This was the old H.R. 3678, which had passed the House the previous summer. In the new Congress, the bill became H.R. 6. While Roe had wanted to modify the bill slightly, he went along with his chairman's desire

to file the legislation simultaneously with the Clean Water Act amendments, which became H.R. 8. The early submissions substantially increased the chances of the bill reaching the floor for a vote. Roe's hope was to avoid further hearings altogether and to move the bill through the House and to the Senate by the end of March. 3

On the other side of the Capitol, Senator Abdnor on 31January introduced S. 366, identical to S. 1739, the bill that he had attempted unsuccessfully to add to the continuing resolution at the end of the last Congress. In a "Dear Colleague" letter, Abdnor and Senator Moynihan, the senior minority member of the Senate subcommittee, appealed for support from other senators. They wrote that the bill was "a fair, fiscally responsible and vitally important step toward reforming and revitalizing this Nation's water resources programs." Their efforts succeeded in obtaining 21 more co-sponsors.

While S. 366 was closer to administration thinking than was H.R. 6, it did not address additional user fees for the inland navigation system. The OMB water resources staff, led by Frederick N. Khedouri, Associate Director for Natural Resources, Energy and Science, attempted to have the administration's user-fee proposals included in the budget reconciliation process, a maneuver that the Reagan administration had used successfully in 1981 to have Congress vote up or down on a series of measures designed to reduce the federal deficit. OMB's concern was that the Senate Finance Committee would kill any user-fee proposals. In vain, Khedouri

attempted to convince Senators Stafford and Abdnor to include the in the reconciliation package, and Stockman himself met proposals with the Senate leadership at least twice to discuss the However, the meetings between the OMB and Senate leadership tended to be acrimonious and accomplished little. Moreover, while some senators were willing to compromise on port construction and maintenance issues--indications of growing flexibility on the part of port interests -- a number of senators remained opposed to considering additional user fees on the inland system. The barge industry was undergoing a slight economic revival, and several Senate supporters feared doing anything that might retard the industry's recovery. In the end, Stockman's and Khedouri's efforts failed, and the issue of navigation user fees was dropped from the reconciliation package. 5

While the introduction of H.R. 6 and S. 366 was expected, the administration surprised Congress when, early on the morning of 20 February and just before Acting Secretary Dawson and Chief of Engineers Heiberg were to appear before the House Appropriations Subcommittee on Energy and Water Development, Dawson sent over draft legislation (the "Water Resources Development Act of 1985") dealing with rivers and harbors improvements. Developed with the active involvement of Corps of Engineers staff, and approved by OMB, the legislation represented official administration policy. Late the same day, Dawson sent to Congress draft legislation (the "Inland Waterways Development Act of 1985") dealing with user's fees for inland navigation. 6 This draft was delayed by

significant last-minute word changes to ensure that it was referred to the Senate Environment and Public Works Committee rather than to the Finance Committee. The idea was to establish the linkage between revenue enhancement measures and project authorizations; one without the other would ensure defeat. Dawson's office worked with Hal Brayman to change two titles of the draft--dealing with the establishment of an Inland Waterways Users Board and providing for periodic reports to the Secretary of the Army--so that they became new and independent sections rather than amendments to the Inland Waterways Revenue Act of 1978. In the end, the Finance committee received the user-fee sections of the bill to review, but by then the linkage was firmly established and, with it, the pressure on the committee to send the revenue measures to the Senate floor. Indeed, Senator Packwood, chairman of the Finance Committee, agreed to move the proposals forward expeditiously. 7

The Administration's initiative was remarkable. While prior administrations had supported individual projects or programs, for the first time an administration submitted complete draft omnibus water resources and inland navigation bills. Dawson called the event "historic . . . the first time in memory" and emphasized that cost-sharing reforms were absolutely essential before the administration would support new starts. Brayman called the move "a good tactical decision." Randall Davis, who shortly succeeded Ehedouri as OMB Associate Director, noted that the Administration was concerned about being perceived as "anti-water," which meant to some "anti-West," and thought that a bill supporting "responsible

water projects" might change the image. 10 Certainly, the bill did have the Virtue of spelling out the administration position on numerous items. However, as Arnold observed, the bills were "dead on arrival," even though Senator Stafford and Congressman Howard introduced them as matters of courtesy a few days later. 11

The financing provisions particularly upset nonfederal The administration proposed that nonfederal interests interests. pay 70 percent of new construction costs for harbors 45 feet deep or less and 100 percent of the incremental costs for increasing harbor depths beyond 45 feet. Nonfederal interests would pay percent of the O&M costs for harbors 14 feet deep or less and handling less than one million tons of cargo annually. Above those limits, the nonfederal interests would pay the entire bill. Nonfederal interests would pay 100 percent of the O&M costs other water resources projects and a percentage of new construction costs according to the following formula:

<u>Construction</u>	<u>Percentage</u>
Hydroelectric Power:	100
Municipal and Industrial Water:	100
Recreation:	5 0
Flood Damage Reduction:	35
Hurricane and Storm Damage Reduction:	3 5
Agricultural Water Supply:	35
Fish and Wildlife Enhancement:	100
Aquatic Plant Control:	5 0

The legislation would authorize 17 port and harbor improvement

projects and 40 other projects, most of which were for flood control. Additional proposals would establish a joint public-private advisory Port and Harbor Improvement Task Force and would simplify planning procedures.

The administration's proposed inland waterways legislation retained the inland waterways fuel tax, but would impose an additional 0.15-cent-per-ton-mile usertaxto finance 70 percent of the Corps O&M, construction, and rehabilitation activities on the inland waterways system. The fee would be payable quarterly in conjunction with the waterway fuel tax, which was scheduled to increase from eight to ten cents per gallon on 1 October 1985. The bill would also establish a public-private Inland Waterways Users Board to advise the Secretary of the Army on waterway improvements. 12

As predicted, nonfederal interests objected to the costsharing and cost-recovery provisions of these Administration bills.

The navigation interests were particularly agitated. In its <u>Weekly better</u>, the American Waterways Operators underlined its objections:

"Any increase in waterway user fees would be devastating to the barge and towina industry; user fees of the maanitude of the Administration's proposal would be impossible for the Industry to sustain. "13

The AWO's tenacious refusal to consider the administration proposals was not realistic. By failing to reassess its strategy, the barge and towing industry endangered its support on Capital Hill and its ability to influence waterway legislation. Senator

John Danforth of Missouri called a meeting of industry representatives to explore options and discovered that no one favored backing down at that time. The senator was respected on both sides of the aisle, and waterway proponents hoped his entering the discussion might offset the influence of user-fee proponents such as Senator Hatfield. Danforth indicated that he was willing to fight for the waterway interests, but warned that he would not hold up the legislation indefinitely. The meeting symbolized an important shift in Congress; even the most ardent waterway supporters were beginning to trim their sails to the political winds.

most Capitol Hill lawmakers accepted the necessity of compromise, they thought the administration's proposals unreasonable. Even in the Republican Senate, which was generally favorable to the administration position, critics more abounded. proposals "almost a hopeless thing." Hatfield Abdnor called the doubted the Administration's sincerity. The legislation "doesn't show in my view any movement by the Administration toward a compromise with Congress on cost sharing. . . . It looks like we are even behind square one now." Senator Johnston of Louisiana refused to accept the inevitability of user fees. "I stand here not so much as an opponent of user fees but as somebody who realistically wonders whether they can work from a practical political standpoint and, secondly, who wonders whether or not [user fee proponents] have properly assessed the federal interest in navigation."15

Congressman Roe could not avoid holding hearings. Aside from the controversy, etiquette dictated that the administration be allowed to defend its proposals despite the general skepticism they generated on Capitol Hill. On 17 April, the House subcommittee began hearing witnesses. Dawson testified for over two and a half At stake, he fervently said, was whether the Army Corps of hours. Engineers' civil works program would be "a declining, program or a full-blooded, strong program capable of addressing the nation's water needs." Going further, Dawson ventured that the authorization process itself was imperiled. This referred to the fear that the appropriations committees might try to energize the rivers and harbors program by appropriating funds even for unauthorized projects. Finally, Dawson observed that the issue was "the credibility of government's ability to cope with difficult problems. I am sure some potential beneficiaries are beginning to wonder if their government can deliver on these issues. 116

Dawson attempted to discourage support for H.R. 6. He predicted that the legislation would fail in Congress just like it did last year (although it passed the House twice) and encouraged the subcommittee to draft a bill "significantly closer to ours in revenue produced through cost sharing and one with significantly more restraint on the number of projects." His candor may have been appreciated, but his message was not. In particular, subcommittee members rejected the user taxes that Dawson supported. Congressman James L. Oberstar of Minnesota suggested that the

administration was trying to use ports and waterways to reduce the federal deficit, which was unfair since they "didn't create the problem." William Clinger of Pennsylvania thought the proposals favored well-to-do areas. Arlan Stangeland, ranking minority member, warned the administration to be "somewhat flexible" on user fees and cost-sharing percentages. Chairman Roe spoke of near-bankrupt farmers who could scarcely afford additional costs for transportation. He pointedly asked Dawson if the revenue was necessary. The Acting Secretary had difficulty answering the question and asked to submit a paper explaining the administration's "basis for feeling that if we are going to move forward on new projects, we must come up with additional money. It's obvious we have got a difference of opinion."

While Roe's subcommittee was reviewing H.R. 6 and the administration proposals, the House Merchant Marine and Fisheries Committee examined Congressman Mario Biaggi's deep-draft port bill (H.R. 45). The bill separated out Title I of H.R. 6, dealing with port development, and modified it to include "fast tracking" of port construction projects and eligibility for a 90 percent federal guarantee of nonfederal costs. 18 Biaggi, who presided over the hearings, wanted to continue full federal funding of ports with depths of 45 feet or less and have 50 percent cost sharing for ports deeper than 45 feet.

The administration thought this approach fell well short of what was necessary. As Richard F. Walsh, Director of the Office of Economics in the Department of Transportation, emphasized,

"Effective marketplace decision-making is very important not only from this Administration's philosophical point of view, but also from the standpoint of the wise and efficient use of our economy's This was an interesting inversion of the old Progressive Era approach that emphasized the rational scientific management of natural resources development. He continued, "We need to have more stringent standards for public transportation investments, both on economic efficiency and on budgetary grounds." Walsh drew fire from the committee members when he suggested that "there is no reason why Federal revenues from the general taxpayers should be used to pay the costs of government provided services and facilities when the users of those services are able to meet the costs and there is no overriding social objective to be served by providing a subsidy."19

Biaggi responded by pointing to the government's historic obligation to ports. Baltimore Congresswoman Barbara Mikulski testily noted that "there is a socially-arrived-at objective that's called having jobs in this country." congressman Herbert Bateman of Virginia said, "It is unthinkable to me that the U.S. government doesn't or shouldn't have a continuing financial role in seeing that America's infrastructure remains sufficient so that American commerce can continue to flourish. It is a national responsibility to assist in doing that. I don't look upon that as being a subsidy." Congressman William Hughes of New Jersey suggested that "at the very minimum . . . before we began imposing user fees we ought to see what the impact is going to be upon domestic

shippers."<sup>20</sup> In fact, Biaggi's proposals were as politically unrealistic as the administration's and did not come close to matching the Senate bill. Senator Abdnor's legislation called for 70 percent nonfederal cost sharing for channels up to 45 feet in depth and either 50 percent or 100 percent of the costs of deeper channels, depending on whether federal loan guarantees were issued. Senator Hatfield supported this formula too.<sup>21</sup>

Senator Abdnor did not hold hearings until May. By then considerable tension had developed between the Republican senator and administration spokespersons. In March, he accused Dawson of "budgetary gimmickry" in the Corps of Engineers' fiscal year 1986 civil works budget. To obtain the estimated \$2.9 billion needed for the program, the administration counted on the enactment of a water user bill that would bring in \$403 million in new revenues in fiscal 1986. However, there was no guarantee such legislation would be passed by then. Senator Stafford warned that "we should be thinking in terms of an alternative budget." diplomatically, Abdnor saw "the hands of the Administration's wizard of subtraction, Stockman, in the budget you have brought us today. I do not appreciate the message I see in this budget. . . . II What he correctly perceived was that the administration was prepared to sacrifice part of the Corps' program in the absence of a water user act. He asked Dawson for an explanation, and the response was not encouraging: "The Department's proposed fiscal 1986 program, out of necessity, is premised on the enactment of new legislation. . . . We don't have any fallback now."22

In May, Abdnor took on the administration's user fee proposal. "would almost quarantee" that the proposal would go nowhere in He the 99th Congress. Dawson repeated the standard administration "Federal funds aren't available like they were before" and "our inland waterways do produce very large benefits to the users." Like Roe, Abdnor expressed concern about the impact on agriculture. 23 His back against the proverbial wall, Dawson sought assistance during this time from three former Chiefs of Engineers., retired Lieutenant Generals Frederick J. Clarke, John W. Morris, and Joseph K. Bratton. At his request, the three men met with some key lawmakers to discuss how to break the impasse, but this effort was overtaken by events. 24

In April, a new initiative began that substantially affected evolution of water resources legislation. Congressman Thomas the Bevill's House Appropriations Subcommittee on Energy and Water Development marked up a supplemental appropriations bill, H.R. 2577, containing funds for 62 Corps and 5 Bureau of Reclamation The \$14 billion bill would simultaneously authorize and projects. fund 31 water projects. While this would not have been novel, it certainly would have undermined the normal process, which was a two-step procedure involving first an authorization act and then an appropriation.<sup>25</sup> The bill also contained supplemental appropriations for aid to Israel and Egypt, rental housing assistance, food stamps, student loans, State Department security, veterans' benefits, family social services, rail service, the federal crop insurance program, and other items.

Water projects were controversial. David Stockman wrote The a letter to Congressman Silvio Conte, minority leader of the House Appropriations Committee, in which he called the supplemental appropriations measure "a serious disappointment as an initial statement of fiscal responsibility." He called attention to the \$4.8 billion for unrequested water projects and the more than doubling of new starts proposed by the administration. action,@' Stockman wrote, "reopens a major pork-barrel issue this Administration successfully opposed at the end of the last Congress -- starting construction of a large number of unnecessary and expensive water projects without providing for either user to pay for their operation or enhanced sharing of their costs by non-Federal interests." The OMB Director concluded, "The supplemental bill in its present form is unacceptable."26

On 6 June, the House turned to H.R. 2577. First, House members voted 267-149 in favor of waiving certain rules of the Congressional Budget Act of 1974 in order to allow the consideration of unauthorized items in an appropriations bill. However, when debate on the actual bill began, Congressman Edgar introduced an amendment to delete funding for the unauthorized water projects. The House passed the amendment by the narrowest of margins, 203-202. The debate continued on 11-12 June: on the last day, the House focused on an amendment appropriating funds for humanitarian aid to Nicaraguan Contras. In the afternoon, the final vote was taken, and the bill was passed, 271-156.<sup>27</sup>

Passage of Congressman Edgar's amendment was an important

victory for the Public Works and Transportation Committee, which insisted on its prerogative to authorize projects prior to funding. The amendment was also a small victory for the Administration. although OMB continued to oppose the legislation because it appropriated over a billion dollars for projects not in the President's budget and because there was no effort to enact financing reforms. Naturally, the environmental community the amendment and had worked hard for it. Recalling the champagne their doorstep the previous October, the OMB staff reciprocated at by sending champagne to the environmentalists after the vote on the amendment 28

Despite the favorable vote on Edgar's amendment, the authorizing committee was clearly served notice to accelerate progress on a new water bill or else have the Appropriations Committee take over the matter. Chairman Whitten of the Appropriations Committee tried to sooth wounded egos. "Through no fault of its own." he remarked, "our authorizing committee has not been able to enact an authorization bill for 10 years. . . . [however] I strongly believe we must look after our country, all of I am a strong believer in treating my colleagues and their districts on an equal basis and not just taking care of those where they have an old authorization, and leav[ing] the others where they have hopes that our colleagues from New Jersey [Howard and Roe] may give them an authorization in time to correct an unequal situation. II29 Roe responded, "The question before the House really is: Do we need an authorizing committee at all?"30

House thought so -- at least for the present.

activity on the The supplemental appropriations threatened the administration's political strategy as well as its financing reform agenda. OMB Associate Director Randall Davis realized that the Republican senators were getting edgy. were up for reelection, and they wanted to bring projects home to their constituents. Moreover, President Reagan's first term in office was drawing to a close, and Davis wanted to eliminate water projects as an issue in the upcoming election campaign. He consulted with Dawson, who supported him in his efforts, peppered Stockman with memos advising him the time was right to compromise. Late springtime rumors that Stockman would soon be leaving added even more urgency to the issue. No one knew what to expect after his departure. 31

Davis's memos may have helped convince Stockman, but the actions of the House Appropriations Committee and the animosity Republican senators required little elaboration. They were arguments for the administration to reassess its It was not simply the administration's apparent position. unwillingness to compromise that alienated the Senate Republican leadership, it was also the manner in which they and their staff Jeff Arnold, Senator Hatfield's aides were treated. recalled a meeting in the Vice President's office between various congressional aides and Assistants to the President Congressional Affairs: "We were treated with about as much respect as a cur dog by the White House staff at that point." News of this

wanted to find a way out of the impasse. The water resources issue had become so divisive among the Republican Senate leadership that it threatened cooperation in other legislative areas. <sup>33</sup> By May 1985, the time was both psychologically and politically right for compromise.

Toward the end of May, Stockman asked the OMB water resources staff to do a complete analysis of the House Supplemental Appropriations. Act to determine the effect of the act on the federal deficit in the 1986-1990 time period. In a major shift of position, he confided to the staff that the conflict between the administration and Congress over the financing of water projects was creating substantial problems for the administration. For several reasons that he did not elaborate, Stockman believed the President could not veto the supplemental legislation. In sum, OMB had no choice but to allow new starts and get the best deal it could from Congress. Still, Stockman insisted that the new starts be allowed only if they were funded through new cost sharing or user fee reforms. 34

On 4 June, in response to a request from Stockman, and no doubt anxious himself to resolve the issue, Senator Dole convened a meeting to discuss cost sharing and user fee proposals. Besides Dole and Stockman, Senators Abdnor, Stafford, Domenici, and Hatfield attended. Senator Packwood was not invited. At this meeting, Stockman informed the senators that the administration

might be able to support the new starts the senators wanted if a combination of Senator Hatfield's ad valorem port tax and Senator Abdnor's cost-sharing proposals were passed. Of course, Stockman also raised the issue of additional fees. He concluded that the administration could not accept any proposals that would lead to net expenditures greater than those in the Senate Budget Resolution, which set lower expenditure levels than those acceptable to the House. 35

Another meeting involving the same principals took place on 12 The evening before, the senators had responded favorably to Stockman's desire to tie together Senator Abdnor's projects, programs, and cost-sharing reforms and Senator Hatfield's port construction and maintenance financing provisions. The also borrowed an idea from the House Appropriations Committee. Under heavy pressure from environmentalists, the House committee had inserted language into the supplemental bill specifying that funds for the Animas-LaPlata Bureau of Reclamation project in Colorado and New Mexico would be available only if the Secretary of the Interior reached a satisfactory cost-sharing agreement with those states by 30 September 1986 and submitted the agreement to Congress. The environmental community evidently doubted such an agreement could be reached. In any case, the senators now took that "fencing" language and applied it to all water projects in the supplemental bill, including Corps of Engineers projects. 36

The senators' response, and the favorable (though narrow) vote on the Edgar amendment caused Stockman to toughen his position when

he met with the senators on 12 June. Beforehand, he had evidently received approval from the White House senior staff--possibly including President Reagan -- to threaten a presidential veto in order to push the senators toward the administration position. One OMB staff member later observed that in all likelihood the White House allowed Stockman to use the veto threat only after the Director promised that the veto would be only a negotiating weapon. 37 While the details of the meeting are difficult to document, Stockman evidently presented options that included higher interest rates and tying the fencing provisions to specific costsharing formulas. He compromised on another issue, however, retreating from an earlier position that favored having nonfederal interests pay their share of harbor construction costs during the time of construction rather than over a longer period. Still, his insistence that no appropriated funds be obligated until nonfederal entities formally agreed to specific cost-sharing provisions enraged Senator Hatfield, who had not forgiven Stockman for the debacle at the end of the last congressional session. The meeting ended in disarray. 38 The altercation climaxed three years of growing animosity and sundered the veil of civility that normally cloaks political disputes. 39

Despite the conflict, discussions continued. Stockman met with a number of key senators—about 15 altogether—to break the impasse. On 19 June, he held a final meeting. The expanded Circle of senators included Senators Moynihan, Thurmond, Warner, and Mattingly. By this time, too, staff members from the Senate

Environment and Public Works Committee had become involved in working out details, although they did not actually attend any of the meetings.  $^{40}$ 

The 19 June meeting finally produced the long-sought compromise. Probably more than any other person, Senator Dole deserves recognition for his persistence in hammering out the As Abdnor said, "Bob Dole is a great one to bring both parties together and talk it out. . . . it took a guy like Dole to in there."41 Abdnor himself was at a really hoist us disadvantage. Like Congressman Roe on the House side, he wished to the authorization process. But he faced Senator Hatfield, the powerful chairman of the Senate Appropriations Committee, who was more than willing to bypass the normal authorization route just as Jamie Whitten did in the House. Abdnor resisted to the best of his ability but, in the end, gave in to many of Hatfield's demands. Still, Abdnor's resolution made clear his position, which may have helped in subsequent negotiations, and his earlier efforts on a water bill certainly provided much of the substance in the compromise. 42

Stockman agreed to have his staff draft a colloquy for Senators Dole, Hatfield, Abdnor, Stafford, Packwood, and Domenici in which the agreement would be explained. After being signed by each senator, the colloquy would be published in the Congressional Record as part of the normal congressional proceedings. By noon the next day, the OMB staff had drafted the colloquy. Several more hours of last-minute negotiations followed. Suspicious of

Stockman, Senator Danforth, who had been only peripherally involved in the negotiations leading up to the compromise, but who held substantial influence over inland waterway users, objected to the proposed ten-cents-per-gallon increase in user-fee charges over a ten-year period. He relented in return for grudging administration support for a second lock at Lock and Dam 26 on the upper Mississippi, and a letter in which Stockman promised that the administration would not request further increases in the years ahead, such as ton-mile fees. 43 Senator Packwood, who had opposed user-fee legislation, also finally agreed, probably in return for including the Bonneville replacement lock in the bill.<sup>44</sup> The delays almost scotched the colloguy; Hatfield proposed on the evening of 20 June that the Senate vote on the supplemental without the colloquy, and that the colloquy be added to the record the following day. Stockman agreed, and late that evening the Senate passed the supplemental bill by voice vote. The next day all the parties signed the five-page-long colloquy, and it was published in the Consressional Record just as if it were part of the debate prior to the vote. 45

In the colloquy, Senators Dole and Hatfield gave an antiphonal recitation of the compromise's principal points. Supplemental appropriations for water projects would be "fenced" until the Assistant Secretary of the Army, Civil Works, (or the Secretary of the Interior in the case of Bureau of Reclamation projects) and nonfederal sponsors reached binding agreements on cost sharing. If such financing agreements were not reached by 30 June 1986, the

funds would no longer be available. The cost-sharing formulas presented in the Abdnor bill (S. 366) would serve as the basis for the financing agreements. Accordingly, the nonfederal cost sharing was as follows:

<u>Purpose</u>	<u>Percentage</u>
Hydroelectric	100
Municipal and Industrial Water Supply	100
Irrigation (Corps only)	35
Recreation	50
Beach Erosion Control	35-50
Flood Control	25-35
Feasibility Studies	5 0

Of the 25 water projects included in the Senate version, 11 were unauthorized, including the Bonneville replacement lock, a favorite of both Hatfield and Packwood. Including the cost-sharing formulas-- albeit not quite the percentages the Administration wished--presumably gratified Stockman. However, the inclusion of unauthorized projects, despite their earlier rejection by the House, was a significant victory for Hatfield.

The administration and the Senate Republicans also reached an understanding on cost recovery for harbor construction and operation and maintenance and on inland user fees. Again bowing in Hatfield's direction, the compromise included a 0.04 percent ad valorem tax on imports and exports to recover 30 to 40 percent of the Corps' O&M expenditures. The ad valorem fee was a break for

the port of Portland, Oregon, whose terminals principally handled bulk products such as grain and timber, and a defeat for the ports of Seattle and Tacoma, whose terminals specialized in containerized shipping. 46 The contentious issue of nonfederal cost sharing for harbor construction was determined in the following way:

<u>Depth</u> e <u>t</u> )	Upfront %	Amortized %	Total 🐉
0 to 20	10	10	20
20 to 45	2 5	10	3 5
Deeper than 45	50	10	60

fees, as always, were a particularly difficult issue. User The senators\* acceptance of the proposition that user fees cover half the cost of inland navigation projects clearly reversed historical commitment of the federal government to maintain inland navigation, but it was a logical extension of the user-fee approach that had been initiated in 1978. Fifty percent of inland navigation locks cost of constructing new and dams The fuel tax that fed from the Inland Waterways Trust Fund. the fund was to be increased from 10 to 20 cents a gallon over a ten-year period beginning 1 January 1988. This was a pittance compared to the original administration request of 0.15 cents per ton-mile for shallow-draft commerce that Gianelli and had supported. The Army Corps of Engineers estimated that this tonmileage charge would have equaled a fuel tax of 57.3 cents per gallon!47

In a final concession to the administration, the senators agreed to delete from authorizing legislation a loan program for the construction of new municipal water facilities. Following the colloquy, there was a general round of congratulations over the agreement with the administration. Both Dole and Hatfield recognized Senator's Abdnor's efforts, and Abdnor returned the compliments. He thanked Hatfield for his efforts, assured his colleagues that the agreement had his complete support, and promised to move the compromise legislation forward expeditiously. Senators Domenici, Stafford, Warner, and Packwood also publicly voiced their support. 48

Senator Hatfield was the most obvious winner in this compromise. According to Jeff Arnold, Hatfield's assistant, the senator felt like "we had hammered out a pretty darn good compromise, given the issues and so on that we were having to deal with, plus it left a lot of wiggle room for the actual development of the final piece of legislation."

The compromise was David Stockman's swan song in the water resources field. He retired as Director of OMB on 1 August, embittered by his many futile attempts to reduce discretionary spending and balance the budget. 50

The ad valorem port charge immediately encountered problems. As it had for a number of years, the Customs Service protested its inability to collect such fees and suggested that the Internal Revenue Service, Coast Guard, or Corps of Engineers administer the program. Moreover, some doubted the constitutionality of the provision, citing a 1982 Congressional Reference Service report.

The question apparently rested on the distinction between fees and taxes. Brooklyn Congressman Mario Biaggi, who favored the tonnage approach, was particularly vociferous in questioning the ad valorem fee. <sup>51</sup> In the end, the Customs Service came around, after both the Justice Department and State Department announced that the approach did not violate the Constitution or international agreements. <sup>52</sup> While the Senate-administration compromise was a critical step in the advance of water resources legislation, the discussion about the collection of port fees showed that many questions remained.

House members could only sit as patient observers while the compromise was hammered out on the other side of the Capitol. Congressman Roe had discussed the framework of a compromise with Stockman even before the meetings in early June and had encouraged him to work out a cost-sharing compromise with the Senate Republicans, but Roe was not involved in the actual negotiations. 53 The administration's focus on the Senate irritated House Republicans most of all. Arlan Stangeland, the minority leader on the House Water Resources Subcommittee, criticized Stockman's failure to consult with House minority members, but consoled himself with the fact that the slight "wasn't unique to public works." According to Stangeland, the administration would come to the House and reach agreement on how certain bills should be formulated "and then they'd go to the Senate and cut their deal. They'd do that time and again, because the Senate happened to be Republican. And those of us as

After the Senate passed its version of the supplemental, the next step was to refer the legislation to a House-Senate Conference Committee. However, Chairman Whitten delayed appointing members to the conference committee, partly because of his dislike for the cost-sharing provisions in the Senate bill and partly because of unspecified objections to other parts of the Senate version. Meanwhile, OMB and Senate staff members attempted to clarify a broad range of consequential issues not explicitly addressed in the Senate compromise. They included questions about the applicability of interest rates and fencing language to certain projects and whether previously authorized projects would be subject to the agreement. The outcome was a 134-page-long Senate report. 55

Finally, in mid-July Whitten appointed House conferees. Subsequent negotiations were tightly controlled, and no one in the administration really knew what was taking place. Fate even favored legislative secrecy. The day the conference report was to be printed in the Conaressional Record, a fire broke out in the Government Printing Office. This delayed publication until 31 July, the very day of the House floor debate. 56

When the legislation reached the House floor, it immediately encountered opposition from Jamie Whitten. The Appropriations Committee chairman introduced a motion that substituted 41 projects (20 unauthorized) for the 25 projects (11 unauthorized) in the

Senate bill. His motion retained the "fencing" provision but exempted the massive, multistate, Mississippi River and Tributaries (MR&T) flood control project from the bill's cost-sharing provisions. 57 Whitten and others from states along the lower Mississippi brought up the old argument that, since the Mississippi drains 41 percent of the continental United States, flood control remain a federal responsibility. should there The exemption did not sit well with many congressmen. In the Public Works and Transportation Committee on 26 June, Congressman Edgar had already submitted an amendment to H.R. 6 to make separable elements of the MR&T project still to be constructed subject to cost sharing. However, Chairman Roe spoke out in opposition, and Edgar withdrew his amendment. 58 A few weeks later, during the floor debate on the supplemental appropriation, Roe changed his tune: "There is no reason, none, that those seven states [along the lower Mississippi] should be totally exempt. . . from cost sharing." Presumably, Roe felt compelled to reverse himself in response to procedural, not He was incensed that Congressman Whitten political, issues. appeared to be on course towards legislation that could undermine the years-long effort of his subcommittee. The battle was "over equity and fairness." What he meant was that, in a time of fiscal Appropriations Committee constraints, the seemed intent on passing legislation on behalf of their own districts, without regard to other members' wishes or the nation's needs. Roe castigated the Appropriations Committee members, calling the issue "a question of greed."59

Roe's impassioned defense of his committee prevailed, and Whitten's amendment was defeated, 170-258. However, immediately afterward, Congressman Howard introduced another motion, identical to Whitten's amendment except for the significant addition of language prohibiting the release of funds until an authorization bill had been signed. Without such an amendment, Public Works feared that the projects funded in the supplemental bill would relegate the other 250-odd projects in H.R. 6 to a lower status. With some hyperbole, Chairman Howard warned that chances for passage of an omnibus bill would be virtually destroyed without language. With Public Works Committee members this satisfied that their prerogatives had not been compromised, the House passed the amended bill--with the 41 projects and the MR&T exclusion--320-106.<sup>60</sup>

A different reaction greeted the legislation when it arrived in the Senate the following day. There Senator Hatfield added a few words to Howard's language that had made release of funds contingent on authorizing legislation: "except that this sentence shall not apply after May 15, 1986." Several hours later, the House reluctantly adopted this phraseology. 61 The rewritten amendment put the authorization committees under intense pressure to move legislation. Otherwise, after 15 May 1986 construction could begin on projects funded in the supplemental bill. The President signed the legislation (Public Law 99-88) on 15 August.

Once the compromise on the supplemental appropriation bill was reached in June, the logjam on authorization legislation finally

in both the Senate and the House. On 26 June, the House broke Public Works and Transportation Committee approved H.R. 6 by voice This new version contained amendments that reflected the vote. Senate compromise, but with some major exceptions. It did not provide for 100 percent local funding for hydropower development, but left that issue in abeyance pending attempts by local sponsors to build facilities without any federal involvement. reduced the upfront nonfederal contribution for municipal and industrial water-supply projects from 100 percent to 20 Even more important, it did not accept the major compromise on user fees, rejecting both the eventual doubling of user fees to 20 cents per gallon and the use of the fees to cover half the cost of constructing inland navigation facilities. Finally, the committee kept in the bill the loan program for municipal facilities. 62 The committee's redesign of the Senate compromise angered environmental groups especially. While Chairman Howard called the bill "landmark legislation," David Conrad of Friends of the Earth said that the bill "constitutes a reward to those industries that have most stubbornly resisted cost-sharing reforms. 1'63 After approval by the Public Works and Transportation Committee, the bill was referred concurrently to three other committees: Interior, Merchant Marine, and Ways and Means. reports were due back in September so that the final legislative package could be on the floor of the House by early October. 64

On the Senate side, the Environment and Public Works Committee marked up S. 1567, the "Water Resources Development Act Of 1985,"

on 16 July. The legislation included the terms of the supplemental appropriation compromise as well as most of the provisions of the earlier Abdnor legislation, s. 366. It was reported out on 1 August, the final result of more than four years of effort and 26 hearings held by three Congresses. 65 Title VIII (the revenueraising sections) was referred to Senator Packwood's Finance Committee. Subsequently, the Finance Committee also asked for, and received, jurisdiction over section 606, which authorizes "any appropriate non-Federal sponsor " to levy port fees to recover its cost-sharing obligations for harbor improvements. Packwood began hearings on the bill in September. 66 Unfortunately, a mark-up session seemed to be constantly delayed as the committee faced other urgent budgetary questions. Another problem was that committee staff members needed some time before to become knowledgeable about the legislation. 67

Meanwhile, on 5 November, H.R. 6 made it to the House floor. It consumed over ten hours of debate before it was overwhelmingly passed, 358-60, on 13 November. The plodding debate provided little theatre; nature advanced more dramatic arguments in favor of passage. As the House debated, over 18 inches of rain fell on the Blue Ridge Mountains, causing flooding in West Virginia, Pennsylvania, Virginia, and Maryland. About a hundred coal barges broke loose on the Monongahela River. Many sank and others pounded the lock gates at Maxwell Lock, closing the river to navigation. Two outmoded locks on the Monongahela were under water as the House considered the need to replace them. Riverside areas of Richmond,

Virginia, and Washington, D.C., were flooded. Fifty people were left dead and thousands homeless. <sup>68</sup> Nature's display was far more compelling than congressional rhetoric.

Not that there were no disputes. Supported by Berkley Bedell of Iowa, Congressman Edgar tried once more to tack on an amendment to make MR&T project separable elements subject to flood control cost-sharing requirements. "It would be unfair," he said, "to allow the rest of the \$5 billion MR&T project to be excluded from the cost sharing that will be applied to every other flood control project in every other member's district in the nation. We should not take the unfair and inequitable step of excluding billions of dollars in flood control projects from the scope of the bill's cost sharing reform merely because we want to have it as one large technical project."69 In an attempt to meet objections, he agreed to exclude the main stem of the Mississippi and Atchafalaya rivers from the amendment, but that still did not win enough votes. His amendment was defeated, 124-296, and in quick succession others ioined it. 70 An effort to impose user fees to recover the nonfederal costs of completed projects was voted down, as was an amendment to deauthorize the Elk Creek Dam project in Oregon.

The debate over Elk Creek was an illuminating and sobering illustration of the House at work. The dam had been authorized in the early 1960s, but the Corps subsequently had declared it unnecessary, and the General Accounting Office estimated that every 20 cents of benefits would cost the taxpayer one dollar. When Democratic Representative James Weaver attempted to delete the

project, he offended Robert F. Smith, a Republican from that state, who represented the district where the project was to be located. Smith protested: ". . .not one time do I recall that there was ever a project deauthorized over the objections of the person in that particular district. It did not occur. It did not happen." The House agreed with Smith, 200-220.71 It was, of course, a case study of the House's deference to individual members when considering local projects.

Congressman Edgar offered other amendments. A particularly controversial one would have directed the Corps to apportion the costs of water projects according to cost-allocation procedures developed through a rule-making process enforceable in the courts. The Interior and Insular Affairs Committee of the House wanted to delete a proposed National Board on Water Resources Policy, a replacement for the deactivated Water Resources Council. However, the committee decided not to offer the amendment when it became apparent that Congressman Roe opposed it and that the House was unwilling to vote for any amendment not favored by the subcommittee chairman. 72

Somewhat surprisingly, considering the passion generated over the years, there was little debate on cost sharing. Ad valorem fees were to pay for 30 to 40 percent of federal maintenance dredging at deep-draft harbors. One-third of the cost of seven new lock and dam projects was to be funded out of fuel-tax revenues, and non-federal interests were to pay at least one-quarter of the cost of new flood control projects. The Tennessee-Tombigbee

Waterway was added to the list of inland waterways subject to the fuel tax. Unlike the Senate bill (and the June compromise), the bill did not authorize the doubling of the fuel tax to 20 cents per gallon over the next ten years. 73

The House approved the measure, 358-60. The estimated price tag for the 230 projects authorized in the bill was somewhere between \$13 and \$20 billion. Edgar said in what was for him an understatement, "It's not a perfect bill. . . . the shopping list is too large." However, he also pointed out that the long shopping list was exactly what obtained the necessary support for the bill despite the substantial changes in cost sharing. Howard asserted that the large number of projects was needed "to prevent flooding, dredge harbors and rehabilitate aging locks on inland waterways. . . . While the total number of projects appears large, it must be remembered that they represent well over a decade of detailed planning and study . . . and will form the basis of the nation's water resources program for the rest of the century."74 He have added "and well into the twenty-first century."

Neither the White House nor the environmental community were happy with H.R. 6. "If something like this were presented to President Reagan, he'd zap it in a minute," said one administration official. "It's a beauty." Brent Blackwelder of the Environmental Policy Institute, suggested that "they're really starting to scrape the bottom of the barrel now." He laconically added, "Efficiency is not a feature of this House bill." One provision that especially upset the environmentalists extended

federal maintenance of shoreline erosion projects from 15 to 50 years. Blackwelder asserted that repairing all the seawalls and jetties would cost \$225 million and that fighting the ocean's natural movements was "tantamount to trying to hold clouds in place."

Unfortunately for water project developers, progress in the Senate did not go nearly so rapidly as in the House. It was not until 11 December that the Senate Finance Committee marked up S. 1567. It approved the .04 percent ad valorem cargo tax and the doubling of the inland waterways user fee to 20 cents by 1997. In so doing, it accepted the provisions of the June compromise. Dawson concluded that the Senate bill "is reasonable, workable, equitable, and signable by the President."

Dawson spoke with increased authority since just the previous week he had finally been confirmed as Assistant Secretary of the Army, Civil Works. He had been Acting Secretary since May 1984, and his nomination had been formally submitted the following April. Objections to his conservative stance on regulating dredging and operations in wetlands provoked substantial criticism and particular, Senator John H. Chafee of extensive debate. In Island thought Dawson's approach inaccurately interpreted both quidance and congressional mandates. The lengthy debate postponed the vote on Dawson's confirmation. When he finally was confirmed, Dawson could concentrate more fully on water legislation, much to the relief of the Corps of Engineers. 79

Dawson's commitment to passage of a water bill was undeniable.

In the winter of 1985-1986, he held numerous meetings and made scores of speeches to muster support for the June compromise and, more generally, S. 1567, the Senate water resources legislation, which contained the cost-sharing and revenue provisions so important to the administration. He addressed the American Association of Port Authorities on 17 September at its annual convention in Portland, talked to its staff in Northern Virginia on 18 October, addressed the National Water Resources Association Convention in early November, and took his message to the Western States Water Council and the Lower Mississippi Valley Flood Control Association (the MR&T project's major lobbying organization) in December. He also spoke to numerous other water districts, environmental organizations, and navigation groups. 81

Throughout the winter, Dawson took every opportunity to lobby for a "signable" water bill. In his Pentagon office, he met with representatives of inland navigation, deep-draft ports, flood control organizations, water-supply groups, and environmental associations. His message was always the same: "now or never." He described H.R. 6 as "seriously flawed" but said the Abdnor bill "is signable today." On 31 January, he wrote Senators Byrd and Dole of the "historic opportunity to reform the water resources development program in America." He added a handwritten postscript: "We urgently need your help on this. I believe the future of the Army civil works program is at stake." The same day, Dawson wrote letters to Senators Stafford, Abdnor, Bentsen, Moynihan, Packwood, and Long urging passage of S. 1567.83 Two

days before, Senator Stafford had inserted in the <u>Conaressional</u>

<u>Record</u> a statement putting the administration on record in support of the Abdnor bill.<sup>84</sup>

However, S. 1567 did not reach the Senate floor until 14 March. Other budgetary issues, including the first sequestration order under the Gramm-Rudman-Hollings Budget Deficit Act, took precedence. Debates on aid to the Philippines, allowing television cameras in the Senate chamber, and the approval of a genocide treaty also occupied the Senate's attention. Aside from those obstacles, a more immediate concern was the objection of Senator Slade Gorton of Washington to the ad Valorem provisions of the bill to recover the costs of maintenance dredging. Gorton and other senators from states close to Canada and Mexico argued with some justification that ports in their states would lose business to neighboring countries should the ad Valorem fee be imposed. Gorton especially interested in protecting the ports of Seattle and He wanted Canadian cargo moving through these ports (either from or to Canada) to be exempt from the ad valorem assessment. Otherwise, the United States could provide the port of Vancouver, British Columbia, an unrequested windfall. The administration was reluctant to go along because it would mean losing some \$5 million annually in revenues nationwide. 85

Once more, Senator Dole entered the picture. On 13 March, the day the Abdnor bill was originally scheduled for consideration, Dole convened a meeting in his office at 9:30 a.m. that lasted the whole day. Besides Dole, Senators Stafford, Abdnor, Packwood, and

Gorton were present. Packwood feared that any exemption from the ad valorem fee would result in a presidential veto of the entire bill. Alarmed by the intensity of the debate and fearing once more that water resources legislation would be derailed at the eleventh hour, Dole called on Secretary of Treasury James A. Baker III, to offer an administration compromise. At about 4:00 p.m., a Treasury Department representative handed Senator Gorton a "final proposal" that, with a couple of minor changes, he accepted. The proposal, which was inserted into section 4462 of the Senate bill, exempted "bonded commercial United cargo entering the States for transportation and direct exportation to a foreign country" from ad valorem fees. However, were Canada to impose "a substantially equivalent fee or charge on commercial vessels or commercial cargo utilizing Canadian ports," the ad valorem provisions would apply.86

Another last-minute issue threatening passage of the legislation dealt with the Tug Fork flood-protection project, located on the Tug and Levisa forks of the Big Sandy River near the West Virginia-Kentucky border. Α 1980 appropriations act authorized a project consisting of floodwalls, dams, levees, and relocations costing over \$250 million. Some work already had been done, and Senator Robert Byrd, the powerful minority leader from West Virginia, had assumed that the cost-sharing provisions of the Abdnor bill would not apply. The problem was similar to the MR&T cost-sharing issue, but on a smaller scale. However, considerable power magnified the problem. The senator viewed the

"separable elements" as one authorized project, but the Army Corps of Engineers, in line with administration policy, announced its intention to apply cost-sharing provisions to the separable elements remaining to be constructed. Byrd was adamant. He thought that the Corps' interpretation violated commitments. He slowed down the pace of debate on 14 March, interceded with the new OMB Director, James C. Miller III, and then set up a meeting on 24 March that lasted the whole afternoon. Several Tug Fork leaders were present: Dawson represented the administration. The Assistant Secretary finally came up with an interpretation that eliminated the last threat to S. 1567. He decided that a project at South Williamson, Kentucky, technically already under construction and that a second project at Matewan, West Virginia, would be started by 15 May. Consequently, both "separable elements" were exempt from new cost-sharing requirements.87

During floor debate on 14 March, some 81 amendments were accepted. Of these 65 were contained in a lengthy "committee amendment"; most were of a technical nature. Some senators from the lower Mississippi area once more expressed concern about including the MR&T project under the cost sharing provisions, but this issue did not spark the fireworks that had occurred in the House. Dawson had been able to mollify many of the region's senators by noting in a 20 February letter that only about 14 percent of the remaining MR&T work would be subject to cost sharing. 88

By the time the bill came up for vote on 26 March, with the Tug Fork issue decided two days before, there was little left to although Senator Byrd cautiously inserted in Conaressional Record a letter he had requested from Secretary Dawson that committed the Army to the Tug Fork compromise. 89 Twenty-four amendments were adopted, most involving project modifications. At the end of the debate, in accordance with normal procedure, Senator Stafford moved to Senate postpone consideration of s. 1567 and instead to amend H.R. 6 by substituting all of S. 1567 for the House-passed legislation. By voice vote, the senators agreed, thereby approving authorization for 181 projects at a \$11.5 billion. projected cost of some In one last act, Moynihan, Stafford, and Abdnor thanked the committee staff for its hard work. was a well-deserved tribute." Ιt

Twelve senators were named to the committee conference to resolve conflicts between the House and Senate versions of H.R. Seven came from the Environment and Public Works Committee and five Finance Committee. The House did not proceed nearly so from the quickly or smoothly. A jurisdictional dispute between the Public Works and Transportation Committee and the Merchant Marine and Fisheries Committee over port provisions, especially cost sharing construction, delayed the appointment of for House Speaker O'Neill finally decided in favor of for seven weeks. Congressman Howard and the Public Works Committee, Merchant Marine retained representation in the conference on Some other parts of the bill. The Interior and Insular Affairs

Committee also was involved in reviewing four titles, and the Ways and Means Committee was represented in discussions dealing with revenue provisions. In all, the House named 39 conferees. 91

Although the House-Senate conference took months to resolve a number of sensitive issues -- particularly those dealing with cost sharing, use of the Inland Waterways Trust Fund, port fees. separable elements, and project deauthorizations -- the Corps of Engineers and the Assistant Secretary of the Army, Civil Works, accelerated efforts to prepare for a new era in water resources development. This initiative already had begun in earnest the previous summer after passage of the Supplemental Appropriations The focus was on the Corps' planning process. Act. Secretaries Gianelli and Dawson had wanted the Corps to cost-share studies ever since the two had come to the Pentagon at the beginning of the Reagan administration, but Congress had always objected. both the Senate and House bills contained provisions for costsharing feasibility studies, so Dawson finally decided to go ahead on his own. 92 On 18 December 1985, he ordered the Director of Civil Works to require equal federal-nonfederal cost sharing of feasibility studies initiated after 1 January 1986 and to share the costs of feasibility studies incurred after 15 March 1986. two-phased planning model used by the Corps, preliminary and less detailed reconnaissance studies would remain federally funded.

Subsequently, the planning division of the Civil Works

Directorate developed a document called "A Plan for Planning in

1986." The report reassessed Corps planning "so that study cost

sharing can be implemented in a manner that will <u>improve</u> the non-Federal sponsor decision making equity, the certainty of planning outcomes, our [Corps] responsiveness to local needs, and planning efficiency." In short, the document suggested the ways that greater local contributions would inevitably lead to greater nonfederal involvement in the planning process and discussed the ramifications of this change. Within a short time, a new regulation came from the Office of the Chief of Engineers that specified Corps procedures to be followed in cost-sharing studies. 94

At meetings in field offices around the country, personnel discussed the Corps' changing role. The implications of the change were not always easily accepted. It was clear that sharing the cost meant also sharing the management, an alien concept to the corps ' civil works community. However, Major General Henry Hatch, the Director of Civil Works, was greatly impressed by the work of the planning division and threw his support behind the new orientation. Rather than "customers," he spoke of "partners." He was so enthusiastic about the "Plan for Planning" document that he expressed interest in having a similar document done for the civil works design and construction arms of the Corps. 95 He spoke of a "cultural change" that cost sharing required, but he was not oblivious to the obstacles. While many accepted reorientation relatively easily, Hatch noted that among some of the Corps' more prominent designers, "the initial attitude was one of . . . unacceptable arrogance."96 The question of what was to be negotiated and what was to be left to the Corps' judgment could not be decided without examining both the new political environment and one's organizational and professional values. Such critical analysis never comes easily.

While the Corps developed a new planning process, Assistant Secretary Dawson attempted to ensure that there would be new water projects to plan. This involved two major efforts. First, Dawson aggressively pursued local cooperation agreements (LCAs) on cost sharing with nonfederal interests whose projects had been authorized and funded in the 1985 Supplemental Appropriations Act. By the end of April, the Corps' Washington office had received 30 LCAs. A special local cooperation agreement review committee had cleared 13 and had forwarded 8 to the Office of the Chief of Engineers for review. Five had been sent to the Assistant Secretary's office for final approval and three had been signed. Two of those were with Virginia Beach, Virginia, for flood control work and a harbor project, and one was with Cowlitz Country, Washington, and several other local entities to construct a debris retention dam at Mt. St. Helens. 97

The Corps was optimistic. Lieutenant General Heiberg, who had become Chief of Engineers in September 1984, thought that most of the local sponsors of the 41 Corps projects authorized in the supplemental bill would sign LCAs before the 30 June 1986 deadline set by Congress. 98 His prediction was fairly accurate. By the end of June, 33 LCAs had been signed, of which 31 were among those authorized and funded in the 1985 Supplemental Appropriations Act.

Secretary Dawson approved construction on 17 of these projects-mostly flood control--once final design was determined. However, he waited for legislation providing for new user fees before approving work on the other, mainly navigation, projects. 99 The success of Dawson and the Corps in negotiating these LCAs was important, for it showed that at least some nonfederal interests were willing to accept new, more stringent cost-sharing requirements. As General Hatch said, "The LCA process provided the basic litmus test for the whole notion of cost-sharing." 100

Dawson's second effort was to do everything he could to promote passage of a water resources bill satisfactory to the administration. Over the 1986 Memorial Day recess, he sent the House and Senate conferees a 5-page cover letter and a detailed 120-page enclosure setting forth the administration position on In particular, he noted specific administration both bills. objections and insisted that the final bill implement "adequate revenue-generating provisions," reject "new programs and bureaucracies," deny "special treatment of certain projects and regions," increase nonfederal cost sharing "without special exceptions," and control the impact of waterway expenditures on the federal deficit. 101 In mid-July, he enlisted the aid of the Secretary of the Army, John O. Marsh, Jr. "In the next month," Dawson began, "I believe we will win or lose our legislative effort to reform the way water projects are paid for throughout the country." He noted that passage of legislation the President could sign was "absolutely essential to continuation of the Federal water

project construction program and to the maintenance of the Corps of Engineers' civil construction capabilities. These capabilities are an important defense resource not only in time of mobilization but in peacetime as well." Dawson suggested that Marsh encourage expeditious conference committee action to produce "signable" legislation whenever Marsh crossed paths with the appropriate members of Congress. 102

Dawson's anxiety had significantly increased by the middle of July. The conference committee seemed to be stalemated, and he decided to press matters as much as he could. Along with Lieutenant General Heiberg, Dawson made an hour-long videotape that updated all the Corps field offices on the status and the importance of the legislation. He continued to make speeches with the by-then familiar themes: "now or never" and "our biggest enemy with port, inland waterway, flood control, and other water resources interests, including environmentalists. A week later, a highly unusual meeting took place in which four Corps retired generals (Clarke, Morris, Bratton, and Ernest Graves, a former Deputy Chief of Engineers) joined with the Sierra Club, National Audubon Society, and National Wildlife Federation to call upon Congress to pass new water resources legislation. "The anomaly of the National Wildlife Federation on the same side of the table with the Corps of Engineers ought not to be overlooked," observed Lynn Greenwalt, a federation vice president and former director of the Fish and Wildlife Service, who also represented the other

environmental organizations at the meeting. 104 On 1 August, Dawson wrote a letter to 59 senators and 90 congressmen who came from districts or states having projects included in both the Senate and House versions of H.R. 6. He asked them "to support a quick conclusion of deliberations by the Conference Committee on H.R. 6. This opportunity represents our best, and perhaps last, chance to implement needed water resources projects and policies in a responsible and fiscally sound manner." 105

By 16 August, when Congress recessed for three weeks, members of the conference committee had been meeting for nearly 2-1/2 months. Committee staffers had begun negotiations soon after Senate and House conferees held their first and only conference, a 30-minute organizing session, on 5 June. The staff meetings occurred several times a week and included evenings and weekends. They were mainly closed-door sessions, which started at a fast pace and then were suspended a couple of weeks later when House staffers claimed that Chairman Roe's schedule prevented him from providing necessary guidance. Roe was tied up with hearings on the Challenser space shuttle disaster in the Science and Technology Committee, which he was to head in the next congressional session. Actually, the problem may have been more than Roe's schedule. Michael Strachn, Chief of the Legislative Coordination Branch the Corps' Civil Works Directorate, observed that Roe had become knowledgeable about and involved with the bill that staff members "felt compelled to clear with him virtually all significant provisions." Roe, in turn, might consult with a committee member before getting back to the staff. When you have 400 or 500 situations like that it is just time-consuming. The weight of the work was oppressive. \*\*106 Finally, Senator Abdnor and Congressman Roe met and got the conference back on course. 107

The negotiations covered virtually every facet of the legislation and, while the most intensive discussions centered on major problems of national concern, even the most mundane items could generate animated debate. One example was the changing of names of water projects, usually to honor a congressman or local dignitary. The House was much more lenient about name changes and had no compunction about honoring someone still politically active. On the other hand, the Senate generally honored only those who were deceased or at least retired for some time. Consequently, Senate staffers often objected to House-proposed name changes. 108

In July, a major problem occurred when House members refused to negotiate the complicated cost-sharing issue without knowing the Senate's position on the approximately 125 projects in the Roe bill that were not included in the Senate version. Senate staffers refused to divulge this information until the House revealed its views on cost sharing. This chicken-and-egg situation deadlocked negotiations. What some had predicted throughout the history of the water resources legislation had come to pass: The ransom for the House projects would be acceptance of the Senate's cost-sharing provisions. 109

On 23 July, a breakthrough came when House and Senate staffers exchanged "offers"; each side commented on the provisions contained

in the other's bill. For the first time, the House responded to the Senate's cost-sharing and revenue provisions, while the Senate commented on the many House projects. While this cleared the air on various issues, it also initiated a new round of acrimony. staffers thought they had compromised much more than Senate counterparts had. They may have been right. Both Senate aides and administration officials were surprised that the House had agreed to about 90 percent of the Senate cost-sharing House members agreed to the ten-cents-per-gallon increase in the fuel tax, although they wanted the increase to start in 1990 rather than 1988. They also accepted the Senate provision that stipulated that one-half, rather than one-third, of lock and dam construction be funded out of fuel tax revenues, and the Senate language requiring an additional ten percent construction costs, plus interest, nonfederal repayment of period not to exceed 30 years. Finally, House conferees agreed Senate's "ability to pay" provision that allowed the Secretary the Army to waive flood control cost-sharing requirements when Secretary determined that local interests would have difficulty bearing the financial burden."'

For its part, the Senate demanded comprehensive and consistent application of cost sharing and insisted that certain programs authorized in the Roe bill be dropped. These included a program of urban water-supply loans, nonfederal dam safety, and a new National Water Resources Policy Board. The Senate also suggested that an entirely new title be created to cover some 130 projects that had

not yet cleared the desk of the Chief of Engineers. Such projects would be authorized, but the Corps would have to complete its project reviews no later than 31 December 1989. 111

About a week after the position papers were exchanged, staff meetings resumed. When they did, discussion focused on Congressman Roe's demand that the "political needs" (read "projects") of certain House members be accommodated. The staff members established a review procedure that divided projects into three groups: (1) fully authorized and favorably reviewed by the Corps of Engineers (2) authorized contingent on a favorable Corps report, and (3) authorized up to, but not including, construction. While this process was designed to expedite the conference business, frustration set in within a week. House aides were angry that the Senate continued to object to various projects, while the Senate staffers decried the House's unwillingness to discuss water-supply loans, the water policy board, and other key provisions. 112

On 13 August, the entire legislative package seemed threatened when House and Senate Public Works Committee staff members remained at loggerheads over a number of issues. Fortunately, the House staff members returned the following day with several compromises that renewed hope for success. The House dropped its insistence on urban water-supply loans and the establishment of a water policy board. It also agreed to subject "separable elements" to cost sharing, but wanted to work out a new definition of such elements. By 16 August, one staff member called the negotiations "80% settled, 10% loose and 10% deferred." 114 Staff

members hoped that the remaining 20-some issues could be resolved before the recess. However, among these items were some of the most vexing issues: how "separable elements" should be defined; what schedule should be used for the gradual imposition of a 10 cent increase in fuel taxes (the final act delayed imposition of increase--to 11 cents per gallon--until 1 January 1990); first the whether an Inland Waterways Users Board should be established: and whether a "direct beneficiary test" (to determine how much particular types of carriers should pay) should be used for assessing local port use fees to finance port improvements. An exchange of offers on the afternoon of 16 August left Congressman Roe unhappy. He asked to meet the senators, but it was 9:30 p.m., late to accomplish anything further before the recess. 115 At too the Pentagon, Dawson ominously remarked that the legislation was "in peril."<sup>116</sup>

Soon after Labor Day, the conference staff members resumed negotiations. A House-Senate leadership meeting resolved the definition of "separable elements," agreeing to treat separable elements of previously authorized projects as entirely new projects so far as cost sharing was concerned. This effectively ended attempts to exclude from cost sharing MR&T elements still to be constructed. "To do otherwise," Senator Stafford suggested, "would have endangered the bill at the White House." 117 comprehensive cost sharing was considered absolutely necessary for administration support. 118

More difficult to resolve was the "direct beneficiary" issue.

The American Waterways Operators and other water carrier and agricultural groups supported House language that imposed a strict beneficiary test on who pays user fees for port improvements. However, the ports demanded maximum flexibility based on "reasonable benefit.11 Following a discussion between Roe and Packwood, the conference committee reached a compromise during the second week of October that imposed a direct beneficiary test for collecting fees supporting the deepening of harbors. User fees collected in support of other port improvements would be based on the vessel design. 119

The last remaining--and nearly fatal--issue was inland navigation taxes or, perhaps more precisely, Congressman Dan Rostenkowski. As a revenue measure, inland navigation taxes belonged to the domain of the Senate Finance and House Ways and Means committees. Much to Roe's dismay, Congressman Rostenkowski, chairman of Ways and Means, delayed consideration of the issue because, he first said, he was too busy with the Budget Reconciliation Act. A few days later, he made it known that he wanted the Senate to approve a new federal building for Chicago and he also wanted the administration to accept a House initiative to require payment of welfare benefits to families with both parents unemployed. Some congressmen discussed a petition to discharge the Ways and Means Committee from further consideration of H.R. 6. However, this move became unnecessary when a compromise was reached on 14 October to lease a building in Chicago. Rostenkowski agreed to drop the welfare proposal until the next session. On Friday, 17

October, conferees from the Senate Finance and House Ways and Means committees met to reach what all hoped would be a quick compromise. Time was critical since congressional leaders were trying to adjourn Congress that afternoon at 5 p.m. Finally, in the early afternoon, an accord was reached and the House promptly agreed to consider H.R. 6. 120

Congressman Roe paced the aisles waiting for the printed act with all the final changes. Ways and Means staffers meanwhile checked and cleared final language. Congressman Rostenkowski pressed a new amendment in these last anxiety-filled hours. He wanted to add a provision authorizing new work on the Chicagoland Underflow Plan. This was done at 4 p.m. Meanwhile, Congressman Bill Frenzel of Minnesota proposed that the Customs Service costs for administering the port fee program should be paid out of the fees collected. On hearing this, Senator Packwood objected and prevailed. Shortly after 6:30 p.m. the measure reached the House floor; adjournment had been pushed back.

After Congressman Roe introduced the legislation and highlighted its principal points, a few other members took the floor in support of the bill. These included Congressmen Gene Snyder, Bob Edgar, Arlan Stangeland, Jim Howard, and Barbara Mikulski. Roe noted that the legislation was "the product of over 5 years of intensive work by the Subcommittee on Water Resources, including extensive hearings and countless hours of gathering information and consulting interested Members and their staffs." Stangeland took the occasion of thanking by name the

many staff members who had supported the effort. 122 With increasing restlessness and calls for the vote, discussion finally ceased at 7:25 p.m. and the vote was taken. The legislation passed overwhelmingly, 329-11. The drama of the last few hours was climaxed when, to a standing ovation, Speaker Thomas (Tip) O'Neill assumed the chair and gave a short farewell speech to his colleagues. It was the last time he was to preside over a House session. 123

Two and a half hours later, H.R. 6 was before the Senate. Senator Stafford managed the act on the Senate floor, supported by Senators Abdnor and Moynihan. A few senators were critical of specific measures, but most praised the legislation. At 10:55 p.m., H.R. 6 passed by roll-call vote, 84-2. Wisconsin senators Robert Kasten and William Proxmire were the only dissenting members. 124 H.R. 6--the first major water resources bill since 1970--had passed Congress and in a form acceptable to the administration. Although both the Senate and the House had to meet the following day, a Saturday, to resolve some technical questions prior to adjournment, the Water Resources Development Act of 1986 was the last piece of legislation passed by the 99th Congress.

On 17 November, President Reagan signed the legislation in a small White House ceremony. Attending the ceremony were Senators Stafford, Bentsen, Abdnor, Moynihan, and Domenici and Representatives Howard, Roe, Stangeland, and Helen Bentley of Maryland. From the administration came OMB Director James Miller, Chief of Staff of the White House Donald Regan, and Dawson. No

reporters or congressional staff members were present. The White House put out only a one-sentence press release on the legislation. 125

Yet, for those who had been involved in the years of hearings, discussions, and debates leading up to WRDA-86, the occasion was, in Secretary Dawson's words, "a very historic moment." Returning to the point he had made so many times during the past year, Dawson said, "This is a new era for water resources development. It was our last chance to get a water resources program and we got it in the nick of time." Congressman Roe agreed. He argued that the act totally modernized the Corps and concluded, "The Corps is back in business."

The financial provisions of WRDA-86 are most significant and make water resources development much more dependent on the health of the market economy. This development is true of everything from new flood control and hydroelectric projects to port construction and inland navigation projects. The increase in fuel taxes to 20 cents after 1994, along with the decision to use the taxes to pay for one-half the cost of replacing seven inland locks, accelerated a development that had begun in 1978. But the conference committee also accepted an administration proposal to establish an 11-member advisory Inland Waterways Users Board, thereby ensuring that users have the opportunity of recommending what projects the fees should fund. The minimum 25 percent nonfederal contribution for constructing flood control projects replaced the policy established in the 1936 Flood Control Act making the federal government

responsible for financing flood control construction. The application of cost sharing to separable elements, in particular to the Mississippi River and Tributaries project, was also a notable deviation from past practice. Perhaps the most revolutionary aspect of the legislation was the requirement that ports pay part of the costs for new construction, with the amount depending on project depths. To recover their share of the financial burden, the law allowed ports to levy port or harbor dues (tonnage fees) that reflected the formula that Packwood and Roe had reached in their October compromise. At the same time, WRDA-86 provided that the Customs Service collect ad valorem fees sufficient to cover up to 40 percent of Corps harbor maintenance costs, except for specific exemptions noted in the act. 129

In the afterglow of success--or the shadow of failure--it is always difficult to assess how "historic" a development is. passage of WRDA-86 is no exception to this axiom. The law's importance will be shown in the coming years as the Corps responds new partnership arrangements, and as nonfederal interests to with new management -- as well as financial -- burdens. Certainly, the way toward implementing an economic philosophy act qoes long а asserts that beneficiaries and users should pay much, that of the project's costs. This philosophy is deeply embedded in all, country's history, but so is the utilitarian philosophy of Adam the Smith (and Albert Gallatin) who insisted that an adequate national, as transportation system was a well as responsibility benefiting the nation's entire economy. The two

philosophies, interwoven in the political process, have shaped much of this country's ambivalent approach toward financing public works developments.

Secretary Dawson thought that the cost-sharing provisions of WRDA-86 would give the Corps a new credibility: "The old epithet of pork barrel, which was, justifiably at times, hung around our neck, just won't be available to a critic anymore." 130 The New York Times editorially agreed, at least to a degree. "The costsharing formulas can't quarantee that every new water project will be worth the price. But they will force state and local interests to weigh the costs against the benefits more conscientiously and to foot part of the bill for mistakes." 131 Lieutenant General Heiberg, the Chief of Engineers, was more cautious in his assessment. He did not think the law a major change of policy, but only a major change in the relationship between the Corps and project beneficiaries. The law would require the Corps to do business differently and involve nonfederal interests in the planning process much earlier. Still in all, he thought the federal role remained "extremely important. . . . We still have most of the money and almost all the projects." 132 Whether WRDA-86 justifies the effusive claims of Dawson and Roe or the more qualified assessment of Heiberg remains to be seen. One fact seems undeniable, however: As never before, federal and nonfederal interests will be challenged to work together to develop projects that are economically, environmentally, and socially responsible.

## NOTES

- 1. Washington Watch, 23 January 1985, p. 5.
- 2. The Interstate Conference on Water Problems and the U.S. Army Engineer Institute for Water Resources, <u>Diaest of Proceedings</u>, Policy Study 85-PS-2 (Fort Belvoir, Virginia: Institute for Water Resources, August 1985).
- 3. Washinaton Watch, 23 January 1985, p. 5.
- 4. Quoted in ibid., p. 5; see also the AWO Weekly Letter, 1 February 1985.
- Don Cluff to Frederick N. Khedouri, subi: Additional Information for Your Meeting with Stafford and Abdnor, 28 (copy): Cluff to Khedouri, subj: Corps User Fees, 31 1985 (copy), both in Cluff papers, WRDA-86 files, OH, HQ USACE. Those who wish to know more about the complicated congressional budget process should consult, Roger H. Davidson and Walter J. Oleszek, Consress and Its Members, 2d ed. (Washington, Congressional Quarterly, Inc., 1985), pp. 327-337; Stanley E. The Guide to the Federal Budget, Fiscal 1991 Collender, The Urban Institute Press, 1990), pp. 17-31; and (Washington, DC: Congressional Quarterly, Inc., <u>How Conaress Works</u> (Washi Congressional Quarterly, Inc., 1983), pp. 32-34, 44-46. (Washington, DC:
- 6. Transcript, interview with Michael Strachn, Chief Legislative Coordination Branch, Headquarters, U. S. Army Corps of Engineers, 7 January 1988, p. 55, OH, HQ USACE; Robert K. Dawson to the Honorable Thomas P. O'Neill, 20 February 1985 (copies of two letters from Dawson to O'Neill), Cluff papers, WRDA-86 files, OH, HO USACE.
- 7. <u>Washinston Watch</u>, 4 March 1985, p. 4; AWO <u>Weekly Letter</u>, 22 February 1985; Cluff, "Congressional/Executive Negotiations," p. 7 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 8. Quoted in Washinston Watch, 4 March 1985, pp. 5-6.
- 9. Transcript, interview with Hal Brayman, 13 January 1988, p. 31.
- 10. Transcript, Davis interview, p. 10.
- 11. Transcript, Arnold interview, p. 47. The authorization bill became S. 534 and H.R. 1557. The Inland Navigation bill became H.R. 1558.

- 12. AWO <u>Weeklv Letter</u>, 22 February 1985; Dawson to O'Neil, 20 February 1985 (copy), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 13. AWO Weekly Letter, 1 February 1985, underlining in the original.
- 14. Transcript, Arnold interview, pp. 48-52.
- 15. Quoted in Washinston Watch, 4 March 1985, pp. 6-7.
- 16. Ibid., 26 April 1985, p. 3.
- 17. Ibid., pp. 3-5.
- 18. AWO <u>Weekly Letter</u>, 4 January 1985.
- 19. Quoted in ibid., p. 6.
- 20. Ibid.
- 21. Washinaton Watch, 12 June 1985, p. 6.
- 22. Quoted in ibid., p. 7.
- 23. Quoted in Washinaton Watch, 12 June 1985, p. 7.
- 24. Ibid.
- 25. See Davidson and Oleszek, <u>Consress and Its Members</u>, pp. 327-328. Appropriations Committee Chairman Jamie Whitten had already agreed to delete the 31 nonauthorized projects from the bill that had been introduced, but his amendment would have retained the funding for both authorized and nonauthorized projects. Edgar's amendment reduced the appropriation to cover only authorized projects.
- 26. David A. Stockman to Silvio Conte, 21 May 1985 (copy), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 27. For the debate on the rules change and, subsequently, on H.R. 2577, see the <u>Consressional Record</u> 131, part 11, 6 June 1985, pp. 14570-632; for the final vote, see ibid., 12 June 1985, pp. 15468-69.
- 28. For the Administration position on the House-passed bill, see "H.R. 2577: Supplemental Appropriations Act, 1985," draft Version, 11 June 1985 (copy), Cluff papers, WRDA-86 files, OH, HQ USACE; Cluff, "Congressional/Executive Negotiations," p. 10 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 29. Congressional Record 131, part 11, 6 June 1985, p. 14618.

- 30. Ibid., p. 14623.
- 31. Transcript, Davis interview, pp. 11-12; Transcript, interview with Harry Cook, President, National Waterways Conference, 3 February 1988, pp. 39-40, OH, HQ USACE.
- 32. Transcript, Arnold interview, p. 59.
- 33. Transcript, Davis interview, p. 18; transcript, Arnold interview, pp. 58-59.
- 34. Cluff, "Congressional/Executive Negotiations," p. 9 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 35. Memorandum to National Waterways Conference Members from Eric Ries, Administration Assistant, NWC, 3 July 1985; transcript, interview with former Senator James Abdnor by Martin Reuss, 8 February 1988, p. 19, OH, HQ USACE; Cluff, "Congressional/Executive Negotiations,\*' p. 9 (draft), Cluff papers, WRDA-86 file, OH, HQ USACE. The Congressional Budget and Impoundment Act of 1974 requires each House of Congress to pass budget resolutions to set financial guidelines for the committees. While this exercise provides more systematic budget review, it is not legally binding on Congress. For more on this, see Collender, The Guide to the Federal Budget, pp. 17-19, and Davidson and Oleszek, Consress and Its Members, pp. 330-333.
- 36. Conaressional Record 131, part 11, 11 June 1985, pp. 15155-56 (for Bureau of Reclamation section of the supplemental bill); Cluff, "Congressional/Executive Negotiations," pp. 9-10 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE; Eric Ries, Administrative Assistant, NWC, to NWC members, 3 July 1985, WRDA-86 files, OH, HQ USACE.
- 37. Cluff, "Congressional/Executive Negotiations,@@ pp. 11-12 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 38. Eric Ries Memorandum, NWC, 3 July 1985.
- 39. Telephone conversation with Tom Skirbunt, 23 July 1990.
- 40. Transcript, Arnold interview, p. 61; Eric Ries Memorandum, NWC, 3 July 1985.
- 41. Transcript, Abdnor interview, pp. 15-16.
- 42. Transcript, Abdnor interview, pp. 6-7; Transcript, Skirbunt interview, pp. 45-47; telephone conversation with Skirbunt, 23 July 1990.

- 43. Telephone interview with Arlene Dietz, Chief, U.S. Army Corps of Engineers Navigation Data Center, 26 July 1990; Stockman's letter to Danforth is reprinted in the <u>Conuressional Record</u> 131, part 12, 20 June 1985, p. 16710.
- 44. David Whitney, "Waterway Compromise Balances Fees, Construction,,' The Oreaonian, 22 July 1985.
- 45. Cluff, "Congressional/Executive Negotiations,'\* pp. 11-13 (copy), Cluff papers, WRDA-86 files, OH, HQ USACE; Consressional Record 131, part 12, 20 June 1985, pp. 16708-13; see also, Helen Dewar, "Accord Set on Water-Projects Funding,', Washinaton Post, 22 June 1985; Western Resources Wrap-Up XXIII, no. 26 (27 June 1985).
- 46. Telephone interview with Arlene Dietz.
- 47. Washington Watch, 15 August 1985.
- 48. <u>Congressional Record</u> 131, part 12, 20 June 1985, pp. 16710-13.
- 49. Transcript, Arnold interview, p. 65.
- 50. Stockman traces the history of his disillusionment in <u>The</u> Triumph of Politics: Why the Reagan Revolution Failed (New York: Harper and Row, 1986).
- 51. Ibid.
- 52. Washinaton Watch, 11 October 1985, pp. 6-7.
- 53. Transcript, Roe interview by Reuss, pp. 30-31.
- 54. Transcript, Stangeland interview, pp. 23-24.
- 55. Cluff, "Congressional/Executive Negotiations,@' pp. 13-14 (draft), Cluff papers, WRDA-86 files, OH, HQ USACE.
- 56. Ibid., pp. 14-15.
- 57. Conaressional Record 131, part 16, 31July 1985, pp. 21810-11.
- 58. Washinaton Watch, 14 November 1985, pp. 3-4. Section 103(f) of WRDA-8.6 defines "separable element" as one that (1) is physically separable from other portions of the project and (2) achieves hydrologic effects or produces physical or economic benefits that are separately identifiable from those produced by other portions of the project.
- 59. Quotes in <u>Conaressional Record</u> 131, part 16, 21July 1985, pp. 21813-14.

- 60. Ibid, p. 6; Margaret Shapiro, \*258-170 House Vote Backs Freeze on Water Projects, \*\* Washinaton Post, 1 August 1985. The bill also contained a controversial appropriation of \$27 million that the Reagan Administration had sought for nonmilitary aid to Nicaraguan rebels.
- 61. NWC Newsletter, 15 August 1985, p. 6.
- 62. Elmer W. Lammi, United Press International (UPI) news release, 26 June 1985; U.S., Congress, House, Report of the Committee on Public Works and Transportation to Accompany H.R. 6, Report 99-251, part I, 99th Congress, 1st sess., 1 August 1985, pp. 4-6.
- 63. Both quotes in Lammi press release, 26 June 1985.
- 64. NWC <u>Newsletter</u>, 15 August 1985, pp. 4-5.
- 65. AWO <u>Weeklv Letter</u>, 12 July 1985; U.S., Congress, Senate, Report of the Committee on Environment and Public Works, United States Senate to <u>Accompany S. 1567</u>, Report 99-126, 99th Cong., 1st sess., 1 August 1985, p. 116.
- 66. Newsletter, 15 August 1985, pp. 3-4; Washinston Watch, 14 November 1985, p. 5.
- 67. Transcript, Arnold interview, pp. 68-71.
- 68. <u>Washinston Watch</u>, 14 November 1985, p. 1. The Corps later claimed that its flood control structures had saved \$301 million in property damage. Jim Ross! "Flood Control Dams Saved \$300 Million, Corps Officials Say," Huntington, West Virginia <u>Herald-Dispatch</u>, 18 November 1985.
- 69. Quoted in <u>Washinaton Watch</u>, 14 November 1985, p. 3; <u>Conaressional Record</u> 131, part 22, 6 November 1985, p. 30768.
- 70. Ibid., pp. 2-3. This time Roe, Stangeland, and Howard all voted against Edgar's amendment. Roe admitted that he had "reappraised" his position. Conaressional Record 131, part 22, 6 November 1985, p. 30775. Unlike the House version, the Senate bill (S. 1567) applied cost sharing to separable elements, including elements of the MR&T project. There was a question whether the section of the supplemental appropriation act excluding the MR&T project would remain in force should S. 1567 become law. Lester Edelman, the Corps General Counsel, thought it-would since S. 1567 did not specifically repeal the exclusion. The point became moot with passage of WRDA-86, which applied to separable elements. See Washinston Watch, 14 November 1985, p. 4.
- 71. <u>Consressional Record</u> 131, part 22, 6 November 1985, p. 30818; Cass Peterson, "The Deficit vs. the Pork Barrel," <u>Washinston Post</u>, 13 November 1985.

- 72. Washinaton Watch, 14 November 1985, pp. 1-2.
- 73. Ibid., pp. 2-3.
- 74. Edgar's and Howard's quotes come from Margaret Shapiro, "House Authorizes 230 New Water Projects," <u>Washinston Post</u>, 14 November 1985.
- 75. Quoted in Cass Peterson, "The Deficit vs. the Pork Barrel," Washinston Post, 13 November 1985.
- 76. Ibid.
- 77. Ibid.
- 78. Quoted in <u>Western Resources Wrap-Up</u> XXIII, no. 51 (12 December 1985).
- 79. For more on the confirmation fight, see an unpublished history in the files of the Office of History, U.S. Army Corps of Engineers: Anna Kasten Nelson, "A History of the Office of the Assistant Secretary of the Army for Civil Works," pp. 351-358.
- 80. Transcript, interview with Robert Dawson, 6 January 1988, p. 10.
- 81. <u>Western Resources Wrap-Up</u> XXIII, no. 51 (19 December 1985); Washinaton Watch, 17 January 1986, pp. 3-4.
- 82. Robert K. Dawson to Senators Robert C. Byrd and Robert J. Dole, 31 January 1986 (copies). File d. S. 1567/H.R. 6. Office of the Assistant Secretary, Civil Works (OASA/CW) files. OH, HQ USACE.
- 83. Copies of the letters are on file in ibid.
- 84. AWO Weekly Letter, 14 February 1986.
- 85. <u>Washinaton Watch</u>, 19 February 1986, p. 3; <u>Washington Watch</u>, 17 March 1986, p. 1. Gorton explained his position in the 14 March 1986 Senate debate. See the <u>Conaressional Record</u> 132, part 4, 14 March 1986, pp. 4992-93.
- 86. <u>Washinaton Watch</u>, 17 March 1986, p. 23; H.R. 6 as passed by the Senate on 26 March 1986. WRDA-86 as passed in October 1986 applied the same stipulation to Mexico.
- 87. Washinston Watch, 17 March 1986, p. 1; Washinston Watch, 2 April 1986, pp. 3-4.

- 88. Washinaton Watch, 17 March 1986, pp. 3-4. Dawson's letter is reprinted in the Consressional Record 132, part 4, 14 March 1986, p. 4955.
- 89. Dawson's letter is reprinted in the <u>Conaressional Record</u> 132, part 5, 26 March 1986, p. 6245.
- 90. Ibid., pp. 6245, 6268-69. Also see, Philip Shabecoff, "Senate Votes Bill for Water Plans," New York Times, 27 March 1986.
- 91. Congressional Record 132, part 39, 26 March 1986, p. S 3452; Washington Watch, 23 May 1986, pp. 1-2.
- 92. Transcript, Blakey interview, p. 35.
- 93. U.S. Army Corps of Engineers, Office of the Chief of Engineers, Directorate of Civil Works, Planning Division, Committee on Streamlining and Making More Efficient the Planning of Specific Projects, "A Plan for Planning in 1986," January 1986, p. 1. Underlining in the original.
- 94. Transcript, Blakey interview, p. 37.
- 95. Transcript, Major General Henry Hatch interview, 14 January 1988, pp. 14-15.
- 96. Ibid., p. 22.
- 97. Western Resources Wrap-Up XXIV, no. 18 (1 May 1986).
- 98. Ibid.
- 99. U.S. Army Corps of Engineers, <u>Annual Report FY 86 of the Secretary of the Army on Civil Works Activities</u>, I, pp. 1-2.
- 100. Transcript, Hatch interview, p. 10.
- 101. Robert K. Dawson to Senator Robert T. Stafford, 21 May 1986 (copy), Cluff papers, WRDA-86 files, OH, HQ USACE. Similar letters were sent to over 40 other senators and representatives. Parts of the letter were quoted in Washinston Watch, 18 August 1986, p. 2.
- 102. Robert K. Dawson to the Secretary of the Army, 10 July 1986. File d. S. 1567/H.R. 6. OASA/CW files, OH, HQ USACE.
- 103. Quoted in Washinaton Watch, 18 August 1986, p. 3.
- 104. Quoted in Guy Darst, "Water Projects," Associated Press dispatch, 21 July 1986. The same day that the meeting was held, the leaders of the three environmental organizations sent a letter to President Reagan expressing support for a water bill that would incorporate "substantially increased cost-sharing, applicable to

- all regions of the country, and reasonable increases in user fees for commercial navigation." The letter is reprinted in the Congressional Record 132, part 23, 17 October 1986, p. 33321.
- 105. Robert K. Dawson to the Honorable Ben Garrido Blaz, 1 August 1986 (copy--identical letter sent to others listed in memorandum for record). File d. S. 1567/H.R. 6. OASA/CW files, OH, HQ USACE.
- 106. Transcript, Strachn interview, pp. 69-70.
- 107. Washington Watch, 18 August 1986, pp. 3-4.
- 108. Transcript, Strachn interview, pp. 75-76.
- 109. Washington Watch, 18 August 1986, pp. 3-4.
- 110. Ibid.
- 111. Ibid., p. 4.
- 112. Ibid.
- 113. Ibid.
- 114. Quoted in ibid, p. 1.
- 115. Ibid., pp. 1-2, 4.
- 116. Quoted in Washington Watch, 5 November 1986, p. 2.
- 117. Ibid., p. 6. Congress took one final swipe at the MR&T project and especially Congressman Whitten when it finally passed the WRDA-86. Whereas the Senate version of H.R. 6 would have applied cost-sharing requirements to projects and separable elements initiated after 14 May 1986, the final act moved the date back to 30 April 1986. This was apparently done to ensure that the provision would cover the Yazoo Backwater Pumping Plant in Whitten's district. Construction had begun on the project on 5 May 1986. The National Wildlife Federation, which had worked hard to ensure passage of legislation, strongly opposed this project. See ibid.
- 118. McCool, Command of the Waters, p. 203.
- 119. AWO <u>Weekly better</u>, 10 October 1986; <u>Washington Watch</u>, 5 November 1986, p. 2.
- 120. Except where otherwise noted, the description of the final hours prior to passage of H.R. 6 comes from Washington Watch, 5 November 1986, pp. 2-3.

- 121. <u>Conaressional Record</u> 132, part 23, 17 October 1986, p. 33066.
- 122. Ibid., p. 33080.
- 123. Ibid., pp. 33095-99; Washinaton Watch, 5 November 1986, p. 3.
- 124. Washinaton Watch, 5 November 1986, p. 3; Conaressional Record
- 132, part 23, 17 October 1986, p. 33342.
- 125. Washinston Watch, 15 January 1987, pp. 4-5.
- 126. Quoted from UP1 news dispatch, "New Law Changes Public Works Procedures,@' New York Times, 18 November 1986.
- 127. Quoted in Rochelle L. Stanfield, "A New Era," <u>National</u> <u>Journal</u> 47 (22 November 1986).
- 128. Washinaton Watch, 5 November 1986, p. 5.
- 129. Ibid., p. 11.
- 130. Quoted in Stanfield, "A New Era."
- 131. New York Times, 22 November 1986, p. 30.
- 132. Transcript, Heiberg interview, pp. 34-35.